

ties of Interior, Agriculture, Army, NEW, Transportation and the chairman of the Federal Power Commission. Its mission: Improve Washington leadership and coordination of government water planning and construction programs. Part of the task has involved supervision of 23 comprehensive federal-state studies of major river basins, studies reckoned to cost federal taxpayers about \$25 million in all.

SPLITTING UP THE TERRITORY

Now some basin study critics argue that the entire effort has largely been a waste of money and time. One of them should know: He's Council Director W. Don Maughan, a Nixon appointee who took over in mid-1969 (too late to have any impact on the basin work being done by interagency field committees). In Mr. Maughan's view the final basin reports are proving to be little more than formal agreements between federal water agencies not to intrude on each other's territory—that is, so many flood control structures for the Corps, so many dams for reclamation, so much land treatment by the Soil Conservation Service, with everybody living happily ever after.

What has been overlooked, Mr. Maughan believes, is the possibility, for example, that a basin or two might get along without any more big dams or without any more irrigation projects. "Nearly all the money's been spent and we don't have all the alternatives," he complains.

Could it have come out any other way? Probably not, considering that Congress deliberately chose to let each agency budget its own share of the basin study funds. Not surprisingly, some had much greater success with their respective appropriations subcommittees than others, creating an imbalance of basin study inputs. More important, the procedure left the Council almost powerless to force new thinking on case-hardened agency officials.

"Unless you hold the purse strings, individual agencies tend to build up their own programs," one veteran water program man on the Council staff concludes.

Control of the purse strings, of course, is what reorganization is really all about, and apprehension about losing control is the reason that the most logical reorganization plans often get nowhere.

STANDARD MORTGAGE FORM PROPOSED BY FNMA AND FHLMC

Mr. MONDALE. Mr. President, public hearings are currently being held on a standard mortgage form about to be issued by the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation. These hearings could have extremely important consequences for American homeowners. The distinguished Senator from Illinois (Mr. Stevenson) has submitted testimony urging that FNMA and FHLMC revise their initial draft of the standard form, since that draft contained several provisions unfair to prospective homeowners seeking mortgages.

I ask unanimous consent that Senator Stevenson's testimony be printed in the Record.

There being no objection, the statement was ordered to be printed in the Record, as follows:

STATEMENT OF SENATOR ADLAI E. STEVENSON, III, BEFORE THE PUBLIC MEETINGS ON THE EXPOSURE DRAFT HELD BY THE FEDERAL NATIONAL MORTGAGE ASSOCIATION AND FEDERAL HOME LOAN MORTGAGE CORPORATION, APRIL 3, 1971

First, I would like to commend both the Federal National Mortgage Association and

the Federal Home Loan Mortgage Corporation for holding these public hearings.

As Ralph Nader and my colleague, Senator Proxmire, among others, have publicly and persuasively pointed out, the provisions of these standard mortgage forms are of interest to American consumers as well as to the financial community. Your response to this legitimate concern is gratifying. However, these hearings will serve a useful purpose only if the criticisms, comments, and suggestions made here are reflected in the final form.

The standard mortgage forms will be required for all conventional mortgages sold to FNMA and FHLMC under provisions of the Emergency Home Financing Act of 1970.

Therefore, not only will a large number of mortgages transactions require these forms, but there is a real possibility that the convenience of a standard form will induce its use even if a lender does not intend to sell a mortgage to FNMA. Potentially, the provisions in the form affect all homeowners.

Obviously a mortgage contract must protect the interest of the lender as well as the interest of the borrower. However, I have examined the proposed draft and I must say it provides a good deal more protection than is necessary to the former at the expense of the latter.

I find three provisions particularly objectionable.

First, the form requires that borrowers make their property tax and hazard insurance payments through their monthly mortgage payments. The lender then commingles these payments, earning interest on them, while the form prohibits the lender from paying any interest to the borrower. In other words, the provision grants the lender an interest-free loan from the borrower for up to a year.

I know of no rationale which justifies this provision. Either the lender should be required to hold the funds in escrow and not be allowed to earn interest on them or he should be required to pay any interest derived from use of the funds to the borrower or he should waive collection of such funds.

Secondly, the provision which would allow a mortgage lender to accelerate mortgage payments without prior notice if the borrower were 30 days late in making a monthly mortgage payment also seems unduly harsh on homeowners. I would think a requirement that a ten day notice be given before acceleration would give consumers some protection without unduly burdening lenders.

Finally, the draft form does not contain a truth-in-lending clause. The mechanics of mortgages, although they may be second nature to lawyers and bankers, are complex and often confusing for most borrowers. I don't believe it is asking too much to require a lender to disclose the full amount of principal and interest a homeowner would pay over the life of the loan.

If the forms are approved without changing these provisions, the federal government would, in effect, be placing its stamp of approval on provisions I consider harmful to consumers. I strongly urge FNMA and FHLMC to revise these forms so that they protect both parties in a mortgage transaction.

TELEVISION STATION JOINS EFFORTS TO CLOSE NEWS CREDIBILITY GAP

Mr. HANSEN. Mr. President, the news media of the United States have a great reputation for fairness and accuracy in their reporting, and this reputation is well deserved, in my opinion.

One of the virtues that have kept American media the world leader in setting standards for objectivity has been the willingness, or more accurately the

readiness, of each medium to respond with an open and reasonable approach to responsible criticism. It is difficult for a medium to follow strictly in its news presentations a true course of objectivity.

But such a course is desirable, and the media of America constantly seek self-improvement.

One great advantage we have had and continue to have in this country in maintaining freedom of the press and freedom of speech is that most of the media and segments of each medium have business and editorial competition. When one newspaper, or magazine, or radio station, or television station has erred—either in judgment or in reporting the facts, there has always been a competitor eager to point this out—usually by a presentation of the facts.

The real test of greatness in a news medium is when that medium discovers its own mistakes and faithfully reports them to the public—allowing as much equally prominent space, or prime time in the correction as in the original presentation of the incorrect material—and preferably even more space and prime time.

According to Variety magazine of March 31 a television station in Chicago, WLS-TV, has pointed out that the subjects of a picture whom Life magazine identified as Army agents invading privacy of civilians, actually were neither detectives nor soldiers, but members of the WLS-TV news staff.

According to Variety, Life magazine refused to admit to the error.

I believe the American people readily accept the possibility and probability that members of the news media and Members of Congress are subject to mistakes on occasion. It is not acceptable when mistakes are not admitted, and when the search for the truth is discontinued.

I ask unanimous consent that the Variety article be printed in the Record. I commend both WLS-TV and Variety for calling this matter to the attention of the public.

There being no objection, the article was ordered to be printed in the Record, as follows:

WLS NEWSMEN TAGGED AS "ARMY SPIES" BY LIFE MAGAZINE; WHO GOOFED? OR WAS IT?

CHICAGO, March 30.—WLS-TV, the Chi ABC 680, started out looking tolerantly upon an apparent goof in Life magazine March 28, in which its news team was identified as an Army surveillance team at the August '68 Democratic convention. However, the station has grown increasingly irritable as Life has attempted to shift the blame to an informant and leave open the implication that the newsmen may have been in the cloak-and-dagger business.

In an article titled "Swarms of Army Agents Clumsily Assault the Privacy of Citizens," Life ran a pic with the following outline: "Army agent Richard Stahl, at far right, walks through the (Lincoln) park. At center, radical Ronnie Davis faces three other Army agents posing as newsmen: Robin Hoff, in light suit, a man named Lounsbury kneeling with earphones, and the large man in the white shirt."

WLS-TV blew up the photo to show that the camera bears their logo, and identified the man in the "white suit" as their reporter Frank Mathie, the man holding the camera to be their cameraman Harry Elatkin, "the large man in the white shirt."